

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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SECURITY INFORMATION

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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
(FOR KEY SEE REVERSE)

Wages and Currency

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1. In 1950, shortly after the arrival of Chinese Communist troops in Sinkiang, the workers in the province were organized into trade unions, and were given to understand that they were the real government, and that leadership rested with them. Effective October 1952, wages were fixed, on the following scale of daily pay:

	<u>New Wages</u>		<u>Former Wages</u>	
	<u>Chinese currency</u>	<u>Rupees</u>	<u>Chinese currency</u>	<u>Rupees</u>
Highly skilled workers	25,000	3/-/	20,000	2/8/
Skilled workers	17,000	2/4/	14,000	2/-/
Unskilled workers	14,000	2/-/	10,000	1/4/

2. In 1952 gold, silver and tangas were withdrawn from circulation, and were redeemed for cash by the Bank of China.<sup>1</sup>

Communications

3. Under the Chinese Communist regime, all existing roads were improved, and some new roads were constructed.
- a. The roads from Kashgar (N 39-29, E 75-58) to Irkeshtam (N 39-40, E 73-50), Urunchi (N 43-48, E 87-35), and to Yarkand (N 38-24, E 77-16) and Khotan (N 37-07, E 79-55) were improved.
- b. In late 1952 a road connecting Yarkand with P'uli (Tash Kurghan, N 37-47, E 75-14) was under construction.

25 YEAR  
RE-REVIEW

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STATE	x	ARMY	x	NAVY	x	AIR	x	FBI		AEC	x	ORR <sup>25</sup>	x		
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- 2 -

- c. A new road was built to connect Yarkand and Khotan with Aksu (N 41-15, E 80-14) and Kucha (N 41-43, E 82-54).<sup>2</sup> These roads are meant to connect the oasis on the fringe of the Takla Makan Desert with Yarkand, Khotan and Aksu. The people who lived on this oasis were removed, and it was believed that the desert was being used for some secret military experiment.
  - d. A network of roads was built to connect all districts in northern Sinkiang.
  - e. In late 1952 there was talk of building a road along the Soviet border from Kashgar to P'uli, but there had been no evidence of work on this project.<sup>3</sup>
- 4. The projected railroad which is to connect Sinkiang with Central China and the USSR will be extended from Lanchou (N 36-03, E 103-41) to Urumchi, and thence to Kuldja (N 43-55, E 81-14) and Alma Ata. It was anticipated that after the construction of this line is completed, a line will be built to connect Urumchi and Kashgar.
  - 5. The airfield near Kashgar is used by both civil and military planes. The Sino-Soviet Civil Aviation Corporation operates a bi-weekly service.<sup>4</sup>
  - 6. The existing telephone system was improved, and new mouthpieces were installed. Up to the end of 1952 telephone service was limited to official use and not open to the public. There was no trunk telephone service.
  - 7. In 1952 there were few land telegraph lines in Sinkiang, and the telegraph system operated on wireless. The operation of both postal and telegraph services had improved appreciably. New post offices had been built, and at Khotan, Yarkand, Kashgar and Urumchi new post and telegraph offices with modern equipment were under construction.
  - 8. The radio station at P'uli was strengthened.
  - 9. A large Soviet radio station was in operation in Kashgar, suggesting that there may have been other Soviet stations in the province. The Kashgar station appeared to be used only for Soviet trade and other business.

#### Industry

- 10. In addition to the industrialization carried on under the Sino-Soviet agreement, whereby China supplies the materials and labor for industrialization and the USSR supplies machinery and technical guidance, the Chinese were developing a number of industries independent of Soviet aid. All the development of industry is under government auspices, and private enterprise plays no part in it.
- 11. The power plant at Urumchi was improved, and one intended for Khotan was under construction in late 1952. Machinery was being installed in a power plant just outside Kashgar. A press report indicated that all cities in Sinkiang would have electricity within five years.
- 12. The carpet industry of southern Sinkiang, which centers in Yarkand and Khotan and was formerly based on private enterprise, was reorganized on a cooperative basis.
- 13. The silk industry in the Yarkand-Khotan area was similarly reorganized. More mulberry trees were planted.

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- 3 -

14. A large cotton-weaving factory was built in Kashgar.
15. In southern Sinkiang there were some 200 centers for the cleaning and grading of wool, an industry which was completely under Chinese control.
16. The existing tanneries had been taken over by the Trade Department, and technicians had been assigned to improve the output. There was a tannery at Kashgar, the chief center of this industry.<sup>5</sup>
17. Five or six new pottery factories had been built in southern Sinkiang.
18. In 1952 a textile mill at Urumchi had begun operations, and another textile mill was under construction outside Kashgar.
19. A refinery at Yingchisha (N 38-56, E 76-09) was put into operation in 1952, and a new refinery at Kashgar was to go into operation in the summer of 1953. A refinery at Sheiku (N 41-30, E 79-25)<sup>6</sup> was expanded and fitted with modern machinery.

Mining20.  25X1

21. Gold and silver were being mined under the Sino-Soviet Corporation at Khotan and Keriya (N 36-52, E 81-42) in the south, and at Kuldja and Sharasume (N 47-52, E 88-07) in the north.
22. Soviet experts were testing the iron deposits in Sinkiang. The iron industry at Ighiz Yar (N 38-41, E 76-13) had been reorganized along scientific lines. Ighiz Yar is about 60 miles from Kashgar on the Kashgar-P'uli road which goes through Yingchisha.
23. Coal mining was reorganized on modern lines. In the Kashgar area coal was being worked at a place about 30 miles from Kashgar on the Kashgar-Irkeshtam road, and at another site about 10 miles from Yingchisha on the Yingchisha-P'uli road.
24. A material known as "auktash" (white stone) was discovered at Kangsove<sup>7</sup>, about 50 miles from Kashgar on the Kashgar-Irkeshtam road. In late 1952 between three and four thousand men were employed in removing this stone, which was being taken to the USSR via Irkeshtam. It was said that this stone was material which could be used in the production of atomic energy. Similar material had been discovered in the Khotan area, and machinery and workmen had been moved to that area from Kashgar. The workmen were investigated before they were sent.

Trade

25. Up to the end of 1952 private enterprise, though eliminated from industry, had met with little interference in the field of trade. However, the petty traders were meeting heavy competition, and it seemed probable that they would eventually be driven from the field.
26. The Soviet Union holds a monopoly on Sinkiang's foreign trade, and has opened agencies throughout the province. Raw silk, wool, hides and skins, carpets and felts constitute the main exports. In late 1952 the only consumer's item imported from the USSR was sugar, the importing of kerosene,

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- 4 -

cigarettes and liquors having been stopped.

#### Agriculture and Land Reform

27. The Agriculture Department was in 1952 experimenting in connection with the cultivation of sugar beets, with the intent of developing a sugar industry in Sinkiang.
28. Eighty percent of the population of Sinkiang is directly or indirectly connected with agriculture. Before the land reforms carried out by the Chinese Communists, about ten percent of the population owned estates of more than 500 mou, some seventeen percent had holding of 200 to 500 mou, twenty percent owned from 5 to 200 mou, and twenty-three percent were landless peasants.
29. Preparations for the Communist land reforms began in 1950, when a census of persons and land holdings was completed. In 1951, the campaign for reduction of rents was launched. The rents were fixed at 40 percent, retroactive for two years. Landlords who had received more than this amount of rent for 1949 and 1950 were required to make restitution to their tenants, who could have recourse to the people's courts if the landlord failed to pay the correct amount. This program at once endeared to the peasants the notion of agrarian reform, and effected the ruin of the landowners.
30. From July to September 1951, men and women in every district were given special training in the techniques and procedures of land redistribution. They in turn were to instruct others in their village areas. The actual program of redistribution was initiated in August 1952. Trained teams were sent to each village, equipped with copies of the census and record of land holdings made in 1950. After studying the local situation and discussing the problems with the local residents, the team devises a plan for redistribution. The amount of land assigned to each person varies according to the village territory and population: in some villages each person may receive 2 mou of land, in others as much as 5 mou, and in still others, other amounts.<sup>8</sup> The process ends with the public burning of old title deeds, and the distribution of new deeds to the new owners. At this point the distribution team's work is done, and it proceeds to another village to repeat the process. In its place another team moves in to check on the process, and to rectify any mistakes made. It was expected that the program would be completed by April or May 1953.

- |    | Comments  |
|----|---|
| 1. | no one was allowed to have gold or silver in his possession. the aktanga was described as a silver coin. a type of currency, the kochu, equal in value to eight sheep, as recognized in Sinkiang in the fall of 1952. |
| 2. |   |
| 3. | a road from Kashgar to P'uli via Tash Malik:  |
| 4. | daily passenger service between Kashgar and Urumchi.  |
| 5. | the only tannery was at Kuldja.   |

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- 5 -

6. Sheikhle (N 41-24, E 79-41) is probably intended.

7. [redacted] a sort of stone was being taken from a mine in the vicinity of Ulugh Chat. [redacted] Ulugh Chat appears to be farther than 50 miles from Kashgar; an intermediate point is Karanglik (N 39-32, E 75-18).

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8. [redacted] every man agreeing to work the land was given ten mou to cultivate. This may have been true of a given locality.

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